

JFMIP NEWS

A Newsletter for Government Financial Managers

Summer 1999 Vol. 11. No. 2.

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New Secretary of the Treasury and JFMIP Principal

On July 2, 1999, the United States Senate confirmed Lawrence H. Summers as the seventy-first Secretary of the Treasury, replacing the Robert E. Rubin. In addition to his duties as Secretary, Mr. Summers will serve as a JFMIP Principal to oversee the general direction of the Program. The other JFMIP Principals are the Director, Office of Management and Budget, Comptroller General of the U.S., and the Director of the Office of Personnel Management.

Prior to becoming Secretary of the Treasury, Mr. Summers served as Deputy Treasury Secretary for four years. In this position, Summers played a leadership role in the Department's work on international policy issues, tax policy issues, financial system issues, domestic policy issues and enforcement issues.

Mr. Summers came to Washington in 1991 to serve as the Vice President of Developmental Economics and Chief Economist of the World Bank. Following that position, he moved to Treasury, where he became the Under Secretary of the Treasury for International Affairs.

Before entering the Federal Service, Mr. Summers worked as a teacher and researcher at MIT and Harvard University. From 1987 to 1993, he was the Nathaniel Ropes Professor of Political Economy at Harvard University. He has written extensively on economic analysis and policy and is the author of *Understanding Employment*, co-author of *Reform in Eastern Europe*, and editor of the series *Tax Policy and the Economy*. During his distinguished career, Mr. Summers has been awarded the John Bates Clark Medal (for outstanding American Economist under the age of 40) and became the first social science recipient of the National Science Foundation's Alan Waterman Award (given for outstanding scientific achievement).

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First Class of CFO Fellows Graduate

The historic Indian Treaty Room in the Old Executive Office Building was the setting for a reception on May 17th to celebrate the successful completion of the inaugural year of the CFO Fellows Program. The first class of nine CFO Council Fellows, their families, and Council members from the host and home agencies attended the afternoon event.

The CFO Council Fellows program was established to identify and develop a diverse cadre of candidates for future executive level financial management positions. Each Fellow spends a full year on challenging senior level developmental assignments at a host agency different from their own. They also receive formal training from the Federal Executive Institute and the U.S. Department of Agriculture (USDA) Graduate School. The Program is designed to give the Fellows opportunities to affirm their leadership potential by demonstrating initiative, creativity, adaptability and the ability to lead as well as to work effectively on teams.

Norwood J. Jackson, Jr., Deputy Controller, Office of Federal Financial Management, OMB, delivered the opening remarks. He described his vision for the future of Federal financial management leadership, and reminded the Fellows that their personal qualities of initiative, imagination and integrity are those qualities essential to effective leadership.

Phil Hudson, Director of the USDA Graduate School, which administers the CFO Fellows Program for the Council, addressed the group. He commended the CFOs of the home agencies for making the tough decisions to give up the "best and the brightest" to invest in the future of Federal financial management, and congratulated the Fellows for pursuing new challenges. "Hats off to the CFO Council for helping to make a real investment in them."

Thaddeus Kontek, the CFO Fellow from the Department of Labor who served his Fellowship at the Environmental Protection Administration, was chosen by the class to speak on their behalf to describe the nature and value of their experiences.

Certificates were presented to the Fellows by Ken Bresnahan, Acting Chief Financial Officer for the Department of Labor and Chair of the Human

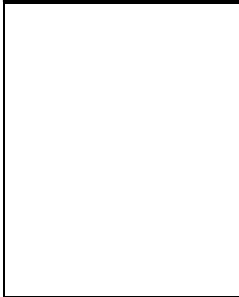
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A Joint Perspective

The JFMIP output for the summer of 1999 continues at a brisk pace. JFMIP is working in partnership with the Federal community to provide

strategic tools to support the Chief Financial Officers (CFO) Council's strategy to improve Federal financial systems and human resources. Progress continues in developing JFMIP financial system requirements. The core financial system testing and qualification

process is well under way. The "Knowledgebase" is now being used by a wide array of government and private sector organizations to stay abreast of progress. The JFMIP Steering Committee recently agreed to sponsor the CFO Systems Committee's *Financial Management Systems Compliance Review Guide*. In addition, JFMIP is working with the CFO Human Resources Committee to update the documents on core competencies for financial management personnel in the Federal government. The short summary that follows highlights key players, accomplishments against goals, and provides a forecast of major activities that will occur as we transition to FY 2000!



Karen Cleary Alderman
Executive Director, JFMIP

System Requirements Outlook—Making Progress

In June 1999, JFMIP reissued *Direct Loan System Requirements*. This document was developed under the skilled leadership of Linda Paulson and Maureen Harris from the Department of Education, with strong participation from the Departments of Agriculture, Commerce, Veterans Affairs, and the Federal Emergency Management Administration, General Accounting Office and the Federal Credit Policy Working Group. This document describes the full scope of requirements for an automated direct loan system.

In August, JFMIP will reissue the *Travel System Requirements*. The JFMIP owes a debt of gratitude to Bill Topolewski and Eileen Rollyson, General Services Administration, who led the update process. These updated mandatory requirements address local travel,

temporary duty travel, and relocation travel system requirements. They reflect system requirement changes that resulted from the Travel Reform and Savings Act of 1996 and the Travel and Transportation Reform Act of 1998, as well as the reissued Federal Travel Regulations (FTR). In addition to mandatory requirements, the document identifies value-added features that leverage business practices and technology to maximize support while minimizing administrative costs.

In June, JFMIP released an exposure draft for Seized Property and Forfeited Assets System Requirements. Comments are due by mid-August. Michael Perez and Robert Weeks, Department of Justice, and Denise Wood, Department of Treasury, led the task force to update this document. Major revisions incorporate recent legislative changes and Federal accounting standards, including Federal Accounting Standards Advisory Board (FASAB) Standard number 3, "Accounting for Inventory and Other Related Property." The document also has new sections on property seized for purposes other than forfeiture, a glossary of definitions and inclusion of mandatory and value-added requirements.

In the next quarter, subject to the approval of the JFMIP Steering Committee, the exposure drafts for the Grant Financial System Requirements and the Guaranteed Loan System Requirements will be released for comment. These teams have been led by Al Muhlbauer, Deputy CFO, National Science Foundation, and Jim Philips, Small Business Administration, respectively. The Exposure Draft for Property System Requirements is anticipated for late this fall. Stan Azebu of the Department of Defense is leading this effort and Dorothy Sugiyama, a Defense Leadership and Management Program participant from the Department of the Army, is serving as overall executive coordinator for this project.

As these projects reach closure, JFMIP is setting its sights on developing system requirements for the remaining functions in the Federal financial systems architecture that have yet to be defined. Next on the agenda will be *Benefit Payment System Requirements* and *Acquisition System Requirements* documents. JFMIP will be looking to identify leaders from the Federal community to begin these efforts in the next quarter. The goal is to fully define the functional requirements for the Federal financial system architecture—the Core financial system and subsidiary

systems—and to also update the Federal Financial System Framework document, that will provide a complete baseline by the end of calendar year 2000.

Core Financial System Testing and Qualification Process

In June JFMIP commenced testing vendor software using the new test and qualification process. Six software packages are scheduled to be tested by October 1999 when the existing Financial Management System Software (FMSS) schedule expires. An "Open House" is being planned for early October to announce the results of the test and qualification process. Information about this event will be posted on the JFMIP "Knowledgebase."

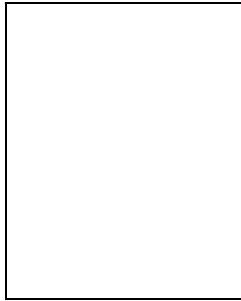
Related to the test and qualification process, OMB issued the interim final revision of OMB Circular A-127, "Financial Management Systems," on June 10, 1999, which officially eliminated the restriction that Federal agencies only acquire the software and related services from the Federal Financial Management System Software (FMSS) Schedule. The new policy requires agencies to use off-the-shelf software that has been qualified through the JFMIP process, when replacing their core financial system software. Other requirements include agency notification to JFMIP of plans to acquire new systems and GSA responsibilities for providing a schedule for agencies to procure software. Starting in FY 2000, there will be no mandatory schedule.

Interim final revisions of the OMB Circular A-127 precedes substantive revisions of this policy document which will vetted this fall by the Federal financial management community. One policy question that has emerged is whether government agencies that acquire core financial services from other government agencies *under cross-servicing arrangements must use systems that have been qualified under the JFMIP test and qualification process*. The OMB Circular update process will define the requirements for Federal agencies. However, the JFMIP Steering Committee has decided to make the test and qualification process available on a voluntary basis to agencies offering core accounting services starting in FY 2000. Those agencies that pass the test will be issued a certificate of compliance. A formal

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JFMIP Steering Committee Changes

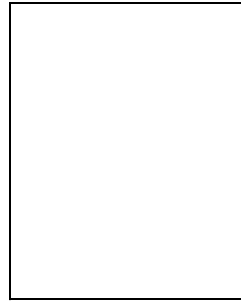
Two new JFMIP Steering Committee (SC) members were introduced last month with the addition of William Early, General Services Administration, and Jeffery Steinhoff, General Accounting Office. The other JFMIP Steering Committee members are representatives of Office of Management and Budget, Office of Personnel Management, Department of Treasury, and the Executive Director of JFMIP. The



Jeffery Steinhoff

Steering Committee meets monthly to oversee projects and activities of the Program.

Mr. Steinhoff is the Acting Assistant Comptroller General for Accounting and Information Management at GAO, which is responsible for accounting, information management, budget, and auditing issues across the Federal government. He has served on the staff of the Senate Governmental Affairs Committee and was one of the principal architects of the Chief Financial



Jeffery Steinhoff

Officers Act of 1990. He is involved with the government-wide implementation of the Act, and other financial management improvement legislation. Jeff Steinhoff has been the alternate SC member from GAO for the past 15 years. He succeeds Gene Dodaro, who is now the Principal Assistant Comptroller General at GAO.

Mr. Early is the new Chief Financial Officer at GSA and is profiled with the new CFOs/IGs. He succeeds Thomas Bloom, who is the Director, Defense Finance and Accounting Service, Department of Defense.

Norwood (Woody) Jackson, Acting Controller, Office of Federal Financial Management, and the OMB representative on the JFMIP Steering Committee, is leaving the Federal government in mid-August.

New IGs and CFOs

Several new Inspector Generals (IG) have taken their positions in Executive agencies. The General Services Administration and the Department of Education have added new members to the Chief Financial Officers Council. Phyllis K. Fong was sworn in as the fifth Inspector General of the U.S. Small Business Administration (SBA) on April 6, 1999. Ms. Fong was nominated by President Clinton in October and approved by the Senate on March 17, 1999. Prior to her confirmation, Ms. Fong served the SBA as Assistant Inspector General for Management and Legal Counsel from 1994 to 1999 and as Assistant Inspector General for Management and Policy from 1988 to 1994.

Ms. Fong also served as Assistant General Counsel for the Legal Service Corporation from 1981 to 1983 and as an attorney with the U.S. Commission on Civil Rights from 1978 to 1981. She is a member of the Tennessee and District of Columbia bars. Ms. Fong was born in Philadelphia, Pennsylvania and raised in Honolulu, Hawaii. She graduated from Pomona College with B.A. degree in Asian Studies, and earned her J.D. degree from Vanderbilt University School of Law.

Lorraine Lewis was sworn in as the Inspector General of the U.S. Department of Education on June 14, 1999. Prior to her

appointment as Inspector General, Ms. Lewis served as General Counsel at the U.S. Office of Personnel Management (OPM). As the chief legal advisor to the Director of OPM, she led the legal support of reinvention initiatives, including the privatization of two major OPM Programs and the abolishment of the Federal Personnel Manual. From 1987 to 1993 Ms. Lewis served with the Senate Governmental Affairs Committee as General Counsel, Counsel, and Assistant Counsel. She played a lead role in the development and passage of the 1998 Inspector General Act Amendments and the Civil Liberties Restoration Act. Ms. Lewis also conducted oversight of Federal inspector general offices.

Before entering the public sector, Ms. Lewis was a volunteer attorney for the Washington Lawyer's Committee for Civil Rights Under Law, where she assisted staff attorneys in conducting employment and fair housing discrimination litigation. From 1984 to 1985 she was an associate at the Washington D.C. law firm of Feder and Edes. In this position she represented and advised trustees of multi-employer benefit funds, pension beneficiaries and unions. She also worked as a field attorney with the National Labor Relations Board in Chicago from 1982 to 1984.

David C. Williams was nominated by President Clinton and approved by the Senate

as the first Inspector General for Tax Administration of the Department of Treasury. His staff of 1,050 criminal investigators and auditors works to detect pministration within the Tax Administration. Prior to his appointment in Tax Admiy Administration from 1996 to 1998. President George Bush appointed him as Inspector General of the U.S. Nuclear Regulatory Commission where he served from 1989 to 1996.

Mr. Williams has also served as Director of the Office of Special Investigations at the U.S. General Accounting Office, Director of Operations in the Office of Labor Racketeering at the Department of Labor, and on the President's Commission on Organized Crime. He was a Special Agent in both the United States Secret Service and the United State Military Intelligence. Mr. Williams is the recipient of the U.S. Bronze Star and the Vietnamese Medal of Honor. Mr. Williams is a graduate of Southern Illinois University and received his Advanced Degree in Education and a Masters in Education from the University of Illinois. He has also attended the U.S. Military Intelligence Academy, the Federal Law Enforcement Training Center, and the U.S. Secret Service Academy.

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FINANCIAL MANAGEMENT PROFILE

Wendy Comes is the Executive Director of the Federal Accounting Standards Advisory Board (FASAB), and has served in that position since 1997. Ms. Comes has nearly 15 years of experience with federal and state government. Prior to being selected as the Executive Director of FASAB, Ms. Comes served as the Assistant Director from 1994 to 1996 and began her tenure with the organization as a Senior Accountant in 1991. Ms. Comes worked as a Public Utilities Specialist with the Naval Facilities Engineering Command from 1989 to 1991. Before beginning her federal career, Ms. Comes worked as a Senior Financial Analyst for the Potomac Electric Power Company from 1987 to 1989 and served as a staff member of the North Carolina Utilities Commission from 1982 to 1986.

Ms. Comes graduated with distinction from the University of Virginia in 1982 and holds a BS degree in Commerce. She is a member of several profession organizations, including the American Institute of Certified Public Accountants, the Greater Washington Society of CPAs, the Association of Government Accountants, and the Institute of Management Accountants. Additionally, Ms. Comes has served on the Members in Government Committee of the AICPA, the AGA Professional Certification Board, and the AGA Certificate of Excellence in Federal Financial Reporting Board.

As the FASAB Executive Director, Ms. Comes has a full range of responsibilities for: maintaining and coordinating a broad network of financial management constituents, directing staff research and conducting outreach, serving as the Chair of the Accounting and Auditing Policy Committee (AAPC), and retaining informational liaisons with the CFO and IG communities, as well as the AICPA, the AGA, and the IMA. As Chair of the AAPC, Ms. Comes must consolidate stakeholder needs and expectations into sound policy decisions. This task is often accomplished by formal guidance issued by the AAPC or through sponsorship of training that facilitates the implementation of new standards.

Ms. Comes is quite concerned about the lack of qualified, multi-skilled personnel to perform the more complex tasks demanded of the Federal government. "Human capital issues are critical to success but are rarely easily resolved. Changes that would enhance our ability to attract and retain qualified personnel are both structural and cultural. The Federal government is placing greater emphasis on accounting through legislation such as the CFO Act and Government Management Reform Act but not greater emphasis on accountants. Accountants need access to high quality training, a clear career path, and recognition for good performance. Being a member of a profession, as evidenced by certification, means that individuals have attained certain skills and knowledge, maintain those skills through continuing education requirements, and comply with certain ethical and/or technical standards.

Ms. Comes believes that the CFO Council's Human Resources Committee is addressing many of these concerns. "My suggestion is that this effort continue to be recognized as vital and that a real

commitment be made to change. From my view on the sidelines, I see some momentum building as a result of the committee's efforts under Ken Bresnahan's leadership. It would be a shame to let any opportunity for progress slip away. Without top notch professional we can not realize meaningful improvement in financial management."

When asked about the implementation of managerial cost accounting, Ms. Comes stated that to be successful it must be an integral part of the management of the department. "The members of the CFO staff must be partners with the program managers and department managers. The information resulting from routine cost accounting must be timely, understandable and useful to managers of all types." "Ultimately, the impact should be that decision-makers are able to weigh all

the relevant factors—financial and non-financial—in making decisions. The vitality that comes from cost accounting is not really from having historical information about the cost of what you've already done. Rather, it comes from understanding—and being intimately familiar with—the activities driving costs, the value added as a result of the activities and what this means for the future."

Ms. Comes is in favor of moving toward standardization of core requirements for financial systems. "Standardization offers a number of advantages such as improved products from vendors and base level functionality 'guaranteed' in off-the-shelf products." Ms. Comes is currently a member of the task force that is setting the requirements for property systems. "I believe that the process of setting the requirements offers tremendous opportunities for the financial and program managers who participate. The attendees benefited greatly from seeing how others have dealt with complex systems designed to meet more than just financial needs. The discussion extends beyond the basic software functionality and into the processes associated with property management. Participation in such efforts is an excellent way to learn from what others are doing and to take a step back to view the management function from different perspectives." Ms. Comes also believes that specifying value-added features is beneficial in the long run. "Having value-added features fosters the creation of a demand for more features and an opportunity for vendors to gain a competitive advantage. Hopefully, this approach will ensure a gradual transition from minimal systems to value added systems."

Ms. Comes believes that government financial systems must be improved in order for progress to continue. "Some have suggested that for real financial management improvement we must have information standards such as accounting standards, information systems, audits, and the experienced staff to make it all come together.

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FINANCIAL MANAGEMENT PROFILE

Frank W. Sullivan has served as the Deputy Assistant Secretary for Finance and Deputy Chief Financial Officer of the Department of Veteran Affairs (VA) since May 1994. He describes the role of the DCFO as being threefold: first to maintain stewardship over the Department's resources; second to continually provide and improve financial policy, financial systems, and financial operations services and support for all Department organizations; and third, to serve as the primary advisor to VA's Chief Financial Officer on these matters. This involves all aspects of financial management including development of department-wide financial policy guidance and financial reports/data; oversight of departmental financial programs; maintenance and support of VA's corporate financial accounting systems and compliance of these systems with Government-wide accounting principles and standards; development and implementation of long-range financial systems initiatives and systems solutions; and managing VA financial operations and processes, including centralized payment and travel systems, electronic commerce, electronic data interchange, and Franchise Fund operations.

Prior to his appointment as DCFO at VA, Mr. Sullivan served as Associate Deputy Assistant Secretary for Financial Policy, a component office within the Office of Finance. He has over twenty years of financial management experience in both the public and private sector. Mr. Sullivan regards the five years he spent working as a manager of financial systems for GTE Telenet Communications Corporation and project manager for RDW Genysis Corporation as being extremely beneficial. The experience gave him an appreciation for what technology can do and how to better apply technology toward creative business solutions. Additionally, he learned that there is no difference in the quality of personnel that work in the private and public sector. "At the time (in the 80's), the private sector just provided their employees better tools; but we (the government) are quickly catching up, and in some cases, surpassing the private sector."

Mr. Sullivan received his M.B.A degree in accounting from George Mason University. He is a licensed certified public accountant in the Commonwealth of Virginia and a member of the American Institute for CPAs and the Association of Government Accountants and a Certified Government Financial Manager.

Mr. Sullivan was the Chairman of the CFO Council's Reports Streamlining and Cost Accounting Committees. He readily admitted that he has a distinct bias on both subjects. Under his guidance, the Cost Accounting Committee produced the Managerial Cost Accounting Implementation Guide as a tool to help agencies implement cost accounting systems. The Reports Streamlining Committee established a pilot program to consolidate financial reports in an accountability report, while making the report more user friendly.

With the government financial community putting a greater emphasis on the implementation of cost accounting systems in line with the Government Performance and Results Act of 1993, Mr.

Sullivan anticipates most agencies will be able to identify the full costs of their programs. The challenge for the financial management community is on implementation of cost accounting systems.

"Financial managers need to continue to sell the importance of cost accounting to program managers whose primary focus may not even be remotely related to finance. We must be able to show how cost accounting data can provide value to them and that it is not just a finance 'thing'."

A streamlined Accountability Reports brings the 'one stop-shopping' concept to financial reporting. According to Mr. Sullivan, the CFO committee wanted to redesign the process because "everyone agreed there were too many standalone reports with too much repetitive information. None of the reports were user friendly – they were uninteresting to read, information you were trying to locate was hard to find, and the reports seldom individually or collectively answered the number one question of how well an agency/department was performing". Mr. Sullivan feels that preparing

a single report in lieu of several reports has allowed the agencies to focus on increasing the caliber and value of the information provided and lessened the burden associated with report preparation. As the Federal government's management focus continues to change from a rigid compliance role to one that is results-oriented and which concentrates on defining how well agency programs are meeting their intended goals and objectives, streamlined reporting is in both the interest of the Government and public.

One of the things Mr. Sullivan is extremely proud of is VA's involvement in the Franchise Fund Pilot project. VA is not only servicing itself, but has also expanded to cross-service other non-VA organizations. VA has seen an increase in fund revenues from \$59.1 million to \$87.9 million in just two years. Additionally, sales to other government agencies in FY 1998 increased over tenfold from \$1.1 million to \$13.9 million. Mr. Sullivan feels that the principles of franchising provide a 'win-win' for the agency and the American taxpayer. "Free and open competition, coupled with full cost recovery, is leading to better resource allocations and holding people to a higher level of accountability. This competitive, fee for service, environment provides economies of scale, lower costs, and ultimately results in greater efficiencies." Additionally, in its first audit, the fund received an unqualified opinion, an accomplishment in which Mr. Sullivan takes great pride.

Since becoming DCFO, Mr. Sullivan has worked to improve stewardship and accountability within VA. VA now utilizes an internal financial review group to promote accountability by performing reviews on all aspects of financial operations at VA health care and regional office facilities. He noted that the group does not foster an adversarial relationship with the facility being reviewed, but rather offers advice and assistance to improve a facility's controls and

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L to R Deborah Watson, Ralph Beatty, Ted Kontek, Russ Gardner, K. Bresnahan, Betty Webber, Margaret Myers, Willa Green, Betty White, and Rick Noll.

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Resources Committee (HRC) of the CFO Council. The HRC conceived and developed the Fellows Program, and continues to work with its partners - the USDA Graduate School and the Federal Executive Institute - to ensure that the Program meet the goals endorsed by the CFO Council.

Members of the 1999 Class of CFO Fellows are:

Ralph Beatty, NASA, who served at the Food and Nutrition Service, USDA, National Food and Nutrition Service, where he supported the CFO in the Food Stamp State Option Program.

Chandler (Russ) Gardiner, USDA, Food and Nutrition Service, who served at the General Service Administration's (GSA) Federal Technology Service in the areas of allowance activities, working capital fund, rate development, GPRA, and A-76.

Willa Green, from USDA, served at the Department of Labor. She developed the DOL Financial Management Intern Program, managed the JFMIP revision to Core Competencies for Financial Managers, and led a team to produce the Executive

Toolkit for Building a Financial Management Workforce Development Plan for the CFO Council.

Thaddeus (Ted) Kontek, Department of Labor, served at the Environmental Protection Agency. He worked to identify and help resolve financial systems audit issues and assisted in researching and developing a concept study and recommendations for replacing EPA's Payroll system.

Margaret Myers, a supervisory budget analyst from GSA's Federal Technology Service, worked in procurement for the Veterans Health Administration at the Department of Veterans Affairs. She evaluated medical supply standardization and researched the feasibility of initiating a prime vendor for medical surgical supplies.

Richard Noll, from the National Science Foundation, worked at Defense Finance and Accounting Service (DFAS). He applied his expertise in the Standard General Ledger to review and coordinate revisions of Defense financial management regulations and DFAS accounting and policy issues.

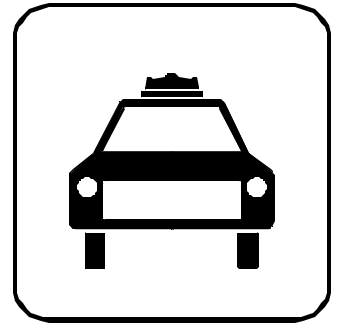
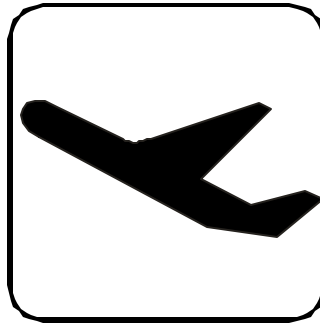
Debra Watson came from NASA's Langley Research Center in Hampton, Virginia to work at the National Science Foundation. She helped plan and execute a two-week NSF briefing to the Chinese Financial Management Delegation on public and private sector issues. She also supported the CFO Council's Grants Accounting Subcommittee by formulating grant pooling information/briefing material participating in a cost-accrual grant survey of universities.

Betty Weber, originally from the Department of the Army, served at the Food and Nutrition Service, USDA. In the midst of the Program she was hired by NASA, but continued to participate in most CFO Fellows events.

Betty White traveled from EPA's Chicago office to serve at the Joint Financial Management Improvement Program. The Spring Issue of the JFMIP carried an extensive article describing her experiences as a CFO Fellow at JFMIP. She has since returned to EPA in Chicago where she has been promoted to Chief of Budget and Finance. □

Travel and Transportation Act of 1998

The Travel and Transportation Act of 1998 was designed to resolve many outstanding issues in the Federal travel and transportation community. The transportation portion dealt with the requirement for a prepayment audit of freight bills. The Transportation provisions of the Act are effective as of April 2000. The U.S. General Services Administration (GSA) is still developing the regulations for this audit. The Travel portion of the Act covered four main areas. These regulations have gone into effect over the last two months. Listed below each area is a summary of the actions/taken required for each.



Authority for Test Programs

- 10 Travel and 10 Relocation Test Programs
- New initiatives for travel and relocation management
- Not restricted by any law or regulation
- 24 month duration to report to Congress
- GSA approval required
- Approval Criteria set by GSA
- Advise Congress before and after test
- Effective May 27, 1999

Technical Corrections to Law & Federal Travel Regulation (FTR)

- Clarifies the definition of
 - United States and Foreign Service of the United States
- Allows agencies to pay for property management services within CONUS
- Expands travel to seek residence (house-hunting) trips to Puerto Rico, the Northern Mariana Islands and territories and possessions
- Other miscellaneous corrections
- Effective May 28, 1999

Requiring Use of the Travel Charge Card

- Requires mandatory use of Travel Charge Card by employees to pay for official travel expenses
 - Penalty for non-use at this time is under administrative procedures of the agency

- Allows GSA administrator and heads of agencies to make exemptions to mandatory use
 - GSA has exempted use where the card is not accepted
- Heads of Agencies can set their own exemptions and notify GSA
- Requires prompt payment of travel claims
 - Within 30 days after receipt of a proper claim
 - Agency determines what is a proper claim
 - Clock starts when claim is received by agency and approving official
- Agency penalized if a proper claim is not paid within 30 calendar days
 - Interest payment to traveler at current Treasury rate
 - Second payment equivalent to any late payment fee when that would activate under agency's task order with a contractor
- Allows agencies to collect delinquent travel charge card payments from employees pay
 - Only if the employee has been paid for travel by the agency
 - Have to follow standard garnishment of wage rules
- Published as an Interim Rule on July 16, 1999 and effective on travel after December 31, 1999

Reimbursement for Taxes on Money Received for Travel Expenses

- Permits agencies to reimburse all income taxes incurred due to a long term temporary duty assignment (generally considered to be longer than 12 months)
- Allows for the reimbursement of penalty and interest payments due to agency failure to withhold proper income taxes for tax years 1993 and 1994 only
- Published as an Interim Rule on June 18, 1999 with a retroactive effective date of January 1, 2000

If there are any questions regarding the amendments made to the Federal Travel Regulations, please contact Jim Harte (GSA, Travel Management Policy Division) at jim.harte@gsa.gov. □

GAO Amends Government Auditing Standards Page

On May 13, 1999, David M. Walker, Comptroller General of the United States, issued the first amendment to the 1994 version of Government Auditing Standards, commonly known as the Yellow Book. The new standard, entitled Government Auditing Standards: Amendment No. 1, Documentation Requirements When Assessing Control Risk at Maximum for Controls Significantly Dependent Upon Computerized Information Systems (GAO/A-GAGAS-1), establishes a new field work standard requiring documentation in the planning of financial statement audits in certain circumstances. Specifically, the new standard requires auditors to document in the working papers the basis for assessing control risk at the maximum level for assertions related to material account balances, transaction classes, and disclosure components of financial statements when such assertions are significantly dependent on computerized information systems. The new standard also requires auditors to document their consideration that the planned audit procedures are designed to achieve audit objectives and to reduce audit risk to an acceptable level. In addition, the standard revises the section entitled "Internal Control" in chapter 4 of the 1994 Yellow Book.

The American Institute of Certified Public Accountants (AICPA), in issuing Statement on Auditing Standards (SAS) No. 78, Consideration of Internal Control in a Financial Statement Audit: An Amendment to Statement on Auditing Standards No. 55, requires auditors to document their basis for conclusions when control risk is assessed below maximum. However, SAS No. 78 does not impose a similar requirement for assessments of control risk at maximum. The new standard will impose such a requirement for assertions related to material account

balances, transaction classes, and disclosure components of financial statements when such assertions are significantly dependent on computerized information systems.

The Advisory Council on Government Auditing Standards recommended that the Comptroller General issue the new standard in order to tighten the rigor applied

to an audit of the financial statements when computerized information systems are used in significant accounting applications. The Council believes that the new standard will heighten auditors' awareness of the risks associated with auditing in the environment of computerized information systems that is pervasive today. The standard reflects the Council's viewpoint that requiring auditors to document their basis for assessing control risk at maximum and the planned audit procedures that relate to that decision will help ensure that auditors do not inadvertently rely on computer-generated evidence in conducting substantive testing. The intent of the standard is not to replace auditors' judgment in planning the audit, but to assist auditors in assuring the soundness of their planned audit procedures when significant accounting applications are supported by computerized information systems.

The standard also incorporates, where applicable, conforming changes to recognize the effect of SAS No. 78 on generally accepted government auditing standards for internal control. These changes principally consist of updating terminology to conform with SAS No. 78 and deleting guidance that is addressed in SAS No. 78, which was issued after the 1994 version of Government Auditing Standards.

Appendix I to the new standard includes a version of the new standard which shows the

deletion of language appearing in the 1994 Yellow Book with a strikeout and presents the new or revised language with bold and italics. Appendix II contains a list of members to the Comptroller General's Advisory Council on Government Auditing Standards and members of the U.S. General Accounting Office's (GAO) project team.

The standard, the first amendment under the revised approach of issuing individual standards, was exposed for public comment prior to its final issuance. As a result, various suggestions were incorporated into the final standard.

The standard is effective for financial statement audits of periods ending on or after September 30, 1999.

An electronic version of the standard can be accessed through GAO's Internet Home Page () from the GAO Policy and Guidance Materials or the Special Publications sections of the GAO site, or directly at www.gao.gov/govaud/ybk01.htm. This site also contains a new electronic version of Government Auditing Standards, which codifies the new standard by reflecting changes made resulting from the issuance of these amendments. Users who would like to provide feedback on the new format used for Amendment No. 1 may do so by completing a form found on the Government Auditing Standards Internet page.

We anticipate that printed copies of the standard can be obtained from the Superintendent of Documents at the U.S. Government Printing Office (GPO) in September 1999 by calling (202) 512-1800 or accessing the GPO Internet site at for ordering information. For more information contact Michael Hrapsky, 202/512-9535 or Marcia Buchanan, 202/512-9321. □



OMB Revises Financial Systems Circular

On June 10th, 1999 the Office of Management and Budget (OMB) updated sections of Circular A-127, "Financial Management Systems", to reflect the changes in the process for acquiring software to meet core financial system requirements. The update reflects pending changes in the U.S. General Services Administration (GSA) schedule used to acquire software and services and new processes for software testing that is independent of the procurement process. These changes are the result of recommendations by the Chief Financial Officers (CFO) Council. The adjustments and additions to the Circular become effective on the dates specified within the document.

Section 8d(1) stipulates that on October 1, 1999, the GSA Financial Management System Software (FMSS) Multiple Award Schedule will become obsolete and that agencies must now use Commercial off-the-shelf (COTS) software that complies with the Joint Financial Management Improvement Program's (JFMIP) Core Financial Management System Requirements and has been tested and certified in the JFMIP software certification process. Section 8d(2) elaborates on the Software Certification process that will be handled by JFMIP. Section 9b was revised to state that GSA will continue to support existing contracts under the FMSS Schedule until their completion. GSA will also make "procurement vehicles available to agencies for acquiring software which has been certified according to processes in Section 8d(2)."

OMB added the new sections to outline JFMIP's role in the software procurement process. Section 9a(3) states that agencies must notify JFMIP on their plans to acquire software supporting core financial system functions. Section 9c lays out JFMIP's responsibilities in testing the core financial system requirements for COTS.

If anyone has any questions or inquiries on the revisions made to OMB Circular A-127, contact the Office of Federal Financial Management, Federal Financial Systems Branch, telephone 202/395-6903. A complete revision of the Circular will be forthcoming. □

Putting Service Back in Government Service Delivery

Just imagine. . . A government service delivery system in which citizens no longer have to go from door to door to door to obtain what they need.

Imagine government agencies working collaboratively with partners and stakeholders to develop what needs to be done and how to do it.

Imagine all Americans having easy and secure electronic access to lifelong training, educational and financial aid services.

Imagine no lines, no waiting, no paper.

Imagine no more. Information technology is transforming the federal government. And a revolutionary model for the delivery of government services called Access America for Students is on the way to becoming reality.

Part of the National Partnership for Reinventing Government's (NPR) broad-based Access America initiative to improve the public's access to government services, Access America for Students is out to change the way government does business with students attending or planning to attend educational institutions beyond high school. The twelve agencies (see box) collaborating with the Department of Education in the initiative's rollout of Access America for Students are all leaders in providing electronic access and services delivery to their customers:

Education, Corporation for National Service, Interior, Justice, Labor, Treasury, US Postal Service, Social Security Administration, Veteran Affairs, IRS, OMB, OPM.

Access America for Students: What's It All About?

The mission of Access America for Students is to provide secure electronic access to the government information and services students need – on their time and on their desktop — and to improve the delivery of student financial assistance. The program will be testing ideas for an e-commerce model in the student financial aid industry.

On the web at students.gov, Access America for Students now has an Internet gateway to the electronic federal government. The site, which was launched in April 1999, links to U.S. government web sites where students can find information on:

- Planning their education
- Paying for their education
- Internships and fellowships
- Military service
- Community service
- Career development and employment
- Taxes
- Travel and fun
- Reference desk
- Services in their neighborhood

Reengineering the student financial aid system also is central to the Access America for Students initiative. Each year the federal government delivers \$42 billion in aid to approximately eight million students. It's a system that involves more than 7,000 schools and 4,000 lenders as well as a complex array of state and federal agencies, private scholarships and foundations, student loan secondary markets, dozens of loan servicers and guaranty agencies, plus a wide range of professional organizations.

Access America for Students' federal partners are working together with the postsecondary community to develop a proof of concept pilot program that will be conducted in two phases over a two-year period. Specific program goals include:

- Building public confidence in conducting Internet-based business with the federal government;
- Improving cash management controls and accountability in the delivery of student financial aid;
- Organizing and improving electronic access to federal training and educational services; and
- Testing key aspects of the Department of Education's Student Financial Aid (SFA) Modernization program. Pilot initiatives that pass the proof of concept testing will be folded into the SFA Modernization Blueprint.

Who's Involved: Partners

Strong support for Access America for Students is coming from students, schools and other members of the postsecondary

Continued on page X.

Eliminating Government Transportation Requests

The General Services Administration (GSA), Department of Defense (DoD) and Joint Financial Management Improvement Program (JFMIP) are working to eliminate the Standard Form (SF) 1169, U.S. Government Transportation Request (GTR) as a method for procuring commercial passenger transportation. Currently, the Code of Federal Regulations Title 41, Volume 2, Chapter 101 identifies the GTR, Government contractor issued charge cards, and centrally billed accounts as payment mechanisms for passenger transportation. After soliciting Federal agencies' responses to a proposal to eliminate the use of GTR, the GSA Office of Government-wide Policy and the Defense U.S. Transportation Command (USTC) have defined a strategy to replace the GTR process.

GSA Bulletin FPMR G-202, published in the Federal Register, 99-16926 dated 7/1/99, notifies Federal agencies of their proposal to stop the use of SF 1169, U.S. Government Transportation Request (GTR). This bulletin provides guidelines for adopting alternative methods of payment for passenger transportation services. The USTC has to develop an implementation and change plan by July 23, 1999 to convert to alternate payment mechanisms by September 30, 2000.

The successful elimination of GTRs government-wide will be instrumental in providing solutions to maintaining these accountable forms that are seldom used, and cutting administrative costs of commercial passenger transportation. For more information please contact Patricia Clark, (202) 512-7174 or . □

CFO Council Teams With Federal Learning Exchange

This summer, the Federal Learning eXchange (FLX), one of four specialty databases offered by American Learning Exchange (ALX), joins a U.S. Chief Financial Officers (CFO) Council campaign to improve the recruitment, development and retention of Federal financial management workers.

"The myriad of new legislative requirements in our field will reshape the way financial management is handled throughout government for the next generation," says Kenneth Bresnahan, chair of the CFO Council Human Resources Committee. "We must invest in continuing professional education of the financial management workforce if we are to support our customers' needs for high quality, useful and timely financial information."

FLX, the outgrowth of the Federal Technology Training Initiative (FTTI), is a groundbreaking collaborative effort that brings together federal trainers, educators and information technology experts to transform the way federal employees learn in the 21st century. FLX provides a common area where curriculum and other materials may be utilized by a variety of federal, state, and local government organizations.

"FLX is a tool that can help federal employees take full advantage of advances in learning technology," says FLX development team leader George Koch. "FLX opens up access to the learning resources Federal workers need to develop skills required for success in a changing workplace."

There is a natural fit between FLX and the Federal financial workers who come under the scrutiny of the CFO Council, says Janet Laytham of the U.S. Department of Labor's CFO office.

The CFO Council consists of the CFO and Deputy CFO of the 24 major government Departments. The CFO Act of 1990 established the Council in an effort to resolve government-wide financial issues. In recent years, training

budget cuts, government downsizing, along with new and emerging financial standards have prompted the Council to focus heavily on improving federal financial worker competencies.

Together, the CFO Council and FLX are developing a consolidated Internet site designed specifically for accountants, budget analysts, financial managers and all other federal financial workers. In addition to listing the core competencies of each position, the site will also provide learners with opportunities to develop those competencies.

Education and training providers are encouraged to post relevant products and course offerings on the site as well. To maintain quality control, those who contribute to the site will be responsible for keeping their links current and adhering to a CFO Council's Statement of Principles for Federal Financial Education and Training.

For more information, contact George Koch at kochg@onp.wdsc.gov or Janet Laytham at laytham-janet@dol.gov. □



JFMIP "Knowledgebase" Helps Improve Financial Systems

The Joint Financial Management Improvement Program (JFMIP) "Core Financial System Knowledgebase" (www.financenet.gov/financenet/fed/JFMIP) provides Federal agencies and vendors information on new Financial Systems Requirements and the JFMIP Core Financial Systems Qualification Process. Agencies are encouraged to visit the web site and browse documents and information.

Under the updated OMB Circular A-127, Financial Management Systems, agencies must purchase core financial systems tested and certified through the JFMIP software certification process. The JFMIP Program Management Office (PMO) was recently established to manage the certification process. The first round of testing is currently underway and the certified vendors will be posted October 1, 1999.

The PMO will work with both agencies and vendors to update the "Knowledgebase" regularly. Examples of documents available are: Core Mandatory, Value Added, and Vendor Support Requirements; information about vendor software features and

functionality; the Certified Vendors List; the Software Qualification Test Application and Policies; the Test Plan and Materials; Best Practices/Lessons Learned; and an interactive area for public discussion.

The Core Financial System "Knowledgebase" will benefit agencies in a variety of ways:

- It provides a one stop shop for communicating new requirements and references to vendors. This will shorten the time it takes vendors to incorporate them into their baseline. The knowledgebase is an excellent venue for Treasury, OMB, GAO, and FASAB to reach vendors early.
- It will provide a central source for comparing software functionality. The PMO will post information about general functionality, value added (additional functionality observed, but not tested), and vendor technical support capabilities.
- It increases competition. Vendors can use the knowledgebase to better understand requirements and upgrade software accordingly.

- It can reduce acquisition time and cost. Since the PMO will disclose more specifically what was tested, agencies can focus on agency unique or broader requirements instead of replicating testing of mandatory core requirements.
- It can help avoid costly mistakes. More importantly, what was not tested will be disclosed to the agencies. Once the initial testing is completed, the PMO will focus on directly helping agencies with lessons learned and other awareness information regarding implementing financial systems.
- The test materials can be downloaded and agencies may incorporate the test plan and methodology for additional testing they may need to conduct. Likewise, new vendors will be able to use the test to better understand functionality unique to the government.

For more information on the JFMIP Core Financial System Knowledgebase, call Bruce Turner at 202-512-5916 or e-mail at turnerb.jfmip@gao.gov. □

Igs and CFOs, continued from page 3.

Mr. William B. Early was recently appointed Chief Financial Officer of the General Services Administration (GSA). Mr. Early is responsible for all financial and budgetary policy, executive information systems, and GSA's Strategic and Performance planning processes. He is also the Chair of the GSA Council of Controllers. Mr. Early served as Acting Chief Financial Officer for several interim periods, served as Deputy Chief Financial Officer from 1998 to 1999, and has served as GSA's Budget Director since 1979.

Mr. Early is responsible for a multi-billion dollar financial program that involves all aspects of budget formulation, resources allocation, and financial control. Mr. Early is a member of the American Association of Budget and Program Analysis (AABPA). He has served AABPA for many years, both as Vice President and as a Board Member. In 1994, Mr. Early received the President's Rank Award. Born in 1943 in Charlottesville, Virginia, Mr. Early holds a Bachelor of

Science Degree from the University of Richmond and a Master of Business Administration Degree from the University of South Carolina.

Mark R. Carney was appointed Deputy Chief Financial Officer for the Department of Education on June 6, 1999. Prior to his appointment, Mr. Carney served as director of the U.S. Small Business Administration's (SBA) Fresno, California Commercial Loan Servicing Center where he managed a \$16 billion loan portfolio comprised of 125,000 loans. For over 7 years he was director of SBA's Denver, Colorado National Finance Center. His legacy in Denver was to consolidate financial operations into one facility and extensively modernize agency financial systems and practices.

As Deputy Chief Financial Officer, Mr. Carney directs a staff of over 275 professionals and is responsible for all activities related to financial management, financial operations, internal controls, audit follow-up, and asset

management. The Department of Education currently administers a budget of over \$30 billion per year and operates some 200 programs that touch on every area and level of education.

Bob Reid joined the Department of the Treasury in June as Deputy Assistant Secretary - Accounting Operations, Office of the Fiscal Assistant Secretary. In this capacity, he serves as the Department's senior official on accounting policy and approves policy oversight over government-wide accounting and the preparation of the annual government-wide consolidated financial statements. He serves as the Department's representative on the Federal Accounting Standards Advisory Board.

Prior to joining the Federal government, Mr. Reid held various positions within the D.C. Government including Controller of the City. □

Year 2000 Update:

Less Than 6 Months . . . and Counting

The Year 2000 (Y2K) computing challenge continues to be a compelling, once-in-a-lifetime issue facing the Federal government, state and local agencies, and major sectors of our national economy—not to mention the world. Since first identifying Y2K as a high-risk area in February 1997, GAO has issued over 120 reports and testimony statements. A great deal has been accomplished—but much more progress is needed. This article will summarize where our nation stands in the summer of 1999, and what action remains necessary in order to minimize disruption through the turn of the century.

The Federal Picture

Federal departments and agencies are considerably farther along than they were just a year ago, due in large measure to engaged leadership and making Y2K a top priority. In its ninth quarterly report, issued June 15, 1999, based on data received as of May 14, 1999, the Office of Management and Budget (OMB) reported agencies' mission-critical systems to be 93 percent Y2K compliant, with 14 of the 24 major agencies reporting 100 percent compliance.

OMB focused on the remaining 7 percent of mission-critical systems that are not yet reported to be compliant and that must be repaired, replaced, or retired; on end-to-end testing; on developing business continuity and contingency plans; and on the overall readiness of Federal programs, especially 43 that have been identified as high-impact (see table).

<i>Lead Agency</i>	<i>High-Impact Program</i>
Commerce	Weather Service
Commerce	Patent and Trademark Processing
Defense	Military Hospitals
Defense	Military Retirement
Interior	Bureau of Indian Affairs programs
Justice	Immigration
Justice	Federal Prisons
Justice	National Crime Information Center
Labor	Unemployment Insurance
Transportation	Maritime Safety Program
Transportation	Air Traffic Control System
Education	Student Aid
Energy	Federal electric power generation and delivery
FEMA	Disaster relief

Y2K

HHS	Child Welfare
HHS	Low Income Home Energy Assistance Program
HHS	Child Support Enforcement
HHS	Medicaid
HHS	Medicare
HHS	Organ transplants
HHS	Temporary Assistance for Needy Families
HHS	Indian Health Services
HHS	Child Care
HHS	Disease monitoring and the ability to issue warnings
HUD	Housing loans (GNMA)
HUD	Community Development Block Grants
HUD	Public Housing
HUD	FHA Mortgage Insurance
HUD	Section 8 Rental Assistance
OPM	Federal Retirement Programs
OPM	Federal Employees' Group Life Insurance
OPM	Federal Employees' Health Benefits
RRB	Retired Rail Worker Benefits
SSA	Social Security Benefits
State	Passport Applications and Processing
Treasury	Cross-border Inspection Services
USDA	Child Nutrition Programs
USDA	Food Stamps
USDA	Special Supplemental Nutrition Program for Women, Infants, and Children
USDA	Food Safety Inspection
USPS	Mail Service
V.A.	Veterans' Benefits
V.A.	Veterans' Health Care

Within Transportation, most of the systems lagging in becoming compliant had been within the Federal Aviation Administration (FAA). While getting an extremely late start, however, FAA has made significant reported progress in catching up. According to the agency, all of its systems that remained to be made compliant have now been made so, including the HOST system, the backbone of the en route air traffic control system, along with all weather and telecommunications systems. End-to-end testing and business continuity and contingency planning are ongoing.

Defense faces a challenge of unprecedented scope and criticality; by its own estimate, 245 of its 2,038

mission-critical systems are not yet Y2K compliant. The Deputy Secretary of Defense is tracking the progress of each system monthly. Further, DOD has hundreds of interrelated end-to-end testing and evaluation activities ongoing—some of which must rely on the as-yet noncompliant systems or system contingency plans. As GAO has recommended, Defense has taken steps to strengthen management of its Year 2000 program by providing the controls and guidance needed to correct and test its systems and key business processes. It will be critical to ensure that such controls are implemented on each test and evaluation event.

OMB has taken an important step by identifying 43 of the most critical Federal programs, and designating lead agencies to make sure that appropriate actions are taken. A second crucial step is testing—especially end-to-end testing—of such high-impact programs. Business continuity and contingency planning is imperative; testing of these plans should be completed by September 30. Finally, Day One strategies are needed: software changes should be kept to a minimum as we near the end of the year, and we must have as specific a strategy as possible for the late-December—early-January rollover period.

The total estimated costs of ensuring that the computer systems of the 24 major Federal agencies perform as expected beyond 1999 has been consistently rising; it has more than tripled during the last 2 years, to a total of about \$8.7 billion as of May 14, 1999—up \$1.2 billion in 3 months alone. □

JFMIP Keeps on Growing

The JFMIP contingent has grown by leaps and bounds over the last three months, as two permanent and five temporary employees came on board.

The new staff will be involved in a variety of projects, such as the development of systems requirements and in updating core competencies for financial management

personnel. However, in the upcoming months they will focus mainly on the testing of core financial systems software.

Janet McBride joins the JFMIP Program Management Office (PMO) from the Department of Agriculture, where she supervised a staff of accountants and analysts. Janet has an extensive background in a broad spectrum of financial management duties, including analysis, design, and implementation of financial management systems. Naturally she is a great fit for the PMO, where she will be one of the testers of core financial systems software. This year, Janet will complete her M.S. degree in Management Information Systems, to complement her M.B.A.

Steve Fisher relocated to JFMIP from the Department of Veteran Affairs. Steve brings a diversified background to the organization, after experiencing both the private and public sectors serving in a variety of different capacities from auditor to consultant. He is a licensed Certified Public Accountant and Certified Government Financial Manager. He worked as a systems accountant in the VA's Office of Financial Management, where he was the "trail boss" for preparing their consolidated financial statements. Steve will work for the Program Management Office as one of the test team leaders.

Patricia (Pat) Clark comes to JFMIP on a one-year developmental assignment as part of the CFO Councils Fellow's Program. Pat has worked extensively on the development and maintenance of financial management systems for such entities as the U.S. Coast Guard, the Federal Railroad Administration, and the Department of Labor. Pat will assist the PMO in the preparation and testing of vendor software as a member of one of the test teams.



Thane Thompson, a program analyst for the Occupational Safety and Health Administration of the Department of Labor, began a sixty day assignment with JFMIP on

July 6th. He received a Master of Public Affairs in 1998 from Indiana University's School of Public and Environmental Affairs. Thane is a Presidential Management Intern and will primarily assist with the acquisition systems

requirements during his assignment at JFMIP.

Brian Dixon, a sophomore from the University of Notre Dame, joins JFMIP as a summer intern. He is an accounting and history double major hailing from Northern Virginia. Brian will perform a variety of different tasks in an effort to aid in the overall mission of JFMIP. His main focus for the summer is analyzing the issues surrounding benefit payment systems and to help set the groundwork for developing system requirements on this subject.

Women's Executive Leadership Program

JFMIP has continued its support of the Women's Executive Leadership (WEL) Program by providing developmental work assignments for program participants. The WEL Program is a one year management developmental program for men and women at the GS-11 and GS-12 levels. The program is coordinated and directed by the Department of Agriculture Graduate School. Presently, two women are

Mary Chase, a reality specialist with the General Services Administration's Office of Property Disposal, is assigned to JFMIP on a thirty-day developmental assignment. Since joining the office, she has assisted with the development of Real Property Systems Requirements and the relocation of the JFMIP office. She also has worked on the newsletter.

Suzanne Valett, an auditor with the Social Security Administration (SSA), Office of the Inspector General, is assigned to JFMIP on a one month detail. She has assisted the Program Management Office (PMO) in the preparation of the Core Financial System Test. □

Treasury's Goal for a Department-wide Career Development Plan

In June 1998, the Department of the Treasury CFO Council agreed that Treasury should make substantial investments in the professional development of its financial staffs, to attract, develop and retain high caliber personnel to better meet current and future needs for financial services and mission support.

The Treasury CFO Council tasked its Human Resource (HR) Committee with developing a human resource strategy for Treasury financial management. In October 1998, the Committee began developing a Department-wide career development plan for financial management, budget and accounting personnel at different grade levels. This plan defined and established training and education core competencies, certifications, on-the-job experiences, and promoted rotational assignments across the entire Treasury financial community.

It was envisioned that completing the performance targets for this plan would, over time, increase the competency levels of all Treasury Financial staff and position the Department to deal with the increasingly complex, technologically advanced financial management functions.

Methodology

In developing the proposed Career Development Plans, the Treasury CFO HR Committee reviewed the published JFMIP Core Competency documents for financial management positions, and Doris Chew from the JFMIP joined the committee.

The Committee did not replicate the excellent work already completed by JFMIP and the government-wide CFO Council HR Committee in the Core Competency documents, rather it used these documents to assist in identifying key high level technical competencies critical for Treasury. The Committee also gathered and evaluated other agency's development plans, Treasury Bureaus' policies and training plans, and identified similarities and best practices.

Human Resource specialists from several bureaus joined the Committee, and several Committee members worked through the Government-wide CFO Council Human Resources Committee to obtain additional data for the development of this proposal.

The Committee specifically used a technical approach in developing the Career Development Plans and chose not to include additional highly desirable non-technical skills such as writing or oral communications. The Committee agreed the plans should focus on long-term change within Treasury and not an immediate restructuring of current onboard financial management staff.

Committee members individually identified training, education, certifications, on-the-job experiences, and rotational assignments for financial managers, accountants and budget analysts. The members identified three levels for each area: entry, mid-level and senior level. The Committee then met and collectively reviewed and rated the core competencies and identified those that would be highly desirable for financial management personnel within the Department of the Treasury.

Implementation

On July 7th the Treasury CFO Council voted unanimously to adopt the proposal as a goal for the Department and agreed to form an implementation group (Team 2000) with a member from each Treasury bureau. Team 2000 will provide overall program support and develop an action plan for Treasury CFO Council approval to implement the Career Development Plans within Treasury. The Team 2000 implementation plan will include, but not be limited to:

- An inventory of current bureau-sponsored courses that can be open to all bureau personnel, i.e., ATF accountants could attend training at IRS courses.
- An inventory of current financial management personnel against the Career Development Plans to establish the baseline for each of the five areas, Training, Education, Certifications, On-the-job Experiences, and Rotational Assignments.
- A plan to implement at least two rotational assignments between all bureaus during FY 2000.

For further information about the Career Development Plan you may contact the Committee Chair, Paul Gentile (Phone: 202-622-9156, E-mail:) or Vice Chair, Lisa Fiely (Phone: 202-622-8710, E-mail:). □

NASA Goal Performance Evaluation System

NASA is making significant progress in achieving its mission and goals by doing business faster, better and cheaper while never compromising safety. "Managing Strategically" is a major cross-cutting process and its effective implementation throughout the workforce is an integral part of the Agency's success. Recently, innovators at the John F. Kennedy Space Center developed and fully implemented a software tool that automates and revolutionizes strategic planning, implementation and validation.

The Goal Performance Evaluation System (GPES) is a web-based interactive software application that implements, validates, and evaluates an Agency's performance through the achievements of its organizations and individuals. Developed by NASA at the Kennedy Space Center, GPES is used by the Center for strategic planning, employee performance management, and as a center-wide communication tool.

As part of the NASA Strategic Management Process, the Kennedy Space Center developed its plan on how it would implement the Agency's goals and missions. The individual organizations at KSC then developed a list of objectives and strategies on how they would support the Center's implementation plan. Employees' performance plans are then generated which will implement the organization's mission. As those plans are executed at all levels, the results are reported and evaluated. The final evaluation is captured in the NASA Performance plan, which is submitted to Congress. GPES is a tool that helps to automate and facilitate this process.

The system provides the capability of electronically "linking" an organization's mission objectives to any desired Agency Goals. This linking information is also displayed on the employee's performance plan, so that they can see the direct correlation between their assigned duties and the strategic mission of the Agency. In addition, reports can now be generated that cross-reference the Agency/Center Goals with the supporting organization's mission objectives, such that a verification can be performed to ensure that all Agency/Center Goals are being worked.



In defining the employee performance plan a supervisor has universal access to all of the organizational Mission Objectives and Strategies populated within the system. The performance plan will reflect the employee's assignments for their own home organization, as well as, those duties assigned by any other organization at the Center. Additionally, the system facilitates the assignment of multiple managers in order to support the diversity of a multi-project focused business environment. Therefore, managers can collaborate online to provide a more comprehensive appraisal for the employee. Employees are responsible for periodically contributing information relative to their achievements. This information is then utilized to help assess individual and organizational performance.

Based on these embedded links, the Agency plan is effectively communicated to every organizational level. Achievements and performance criteria can be assessed and consolidated back to validate the progress and accomplishment of the Agency Strategies.

These key questions have been outlined as the way to integrate results into other Congressional Business:

When Congress considers program re-authorizations, we need to ask -

- What concrete results has the program achieved?
- Are they worthwhile and cost effective?
- Is there a better way to provide this service?

And when Congress considers appropriations, we need to ask -

- Whether the agency's budget requests are sufficiently tied to the results of its programs?

- What funding levels those results merit?

How can an agency respond to such an analysis unless they have effectively implemented, measured and communicated the accomplishments of the strategies outlined in their Strategic Plan. GPES is a definite representation of an effective method of administering the methodologies of the GPRA. It is one of the tools that make "The Plan" a reality.

Fully utilized at the Kennedy Space Center, an interim Achievement Report was consolidated at the Midterm (2/99) and proved to be extremely valuable to the KSC strategic management process. Twenty-two major offices effectively summarized, reported and evaluated their achievements towards multiple mission strategies for over 1700 employees in less than a two-week period. The result from this evaluation helped to drive out very explicit actions.

The Congress, on behalf of the taxpayer, is committed to implementing new systems to make government work more efficiently for less. The Goal Performance Evaluation System contributes to this end by effectively communicating both the Organization's Strategic Plan and subsequent results and achievements.

For more information, visit our website: <http://technology.ksc.nasa.gov/WWWaccess/gpes/>

Or Contact Chris Carlson (Technical Information)
Christopher.Carlson-1@ksc.nasa.gov; Dave Makufka (Technology Transfer Information)
Dave.Makufka-1@ksc.nasa.gov; NASA / Kennedy Space Center FL, 32899. □

FASAB Update

Highlights of Federal Accounting Standards Advisory Board activities through July 1999:

Project Plans

At the April Board meeting, the Board decided to defer further work on the Natural Resources project until early 2000 and on Cost of Capital indefinitely. The deferral of the Cost of Capital project was based on proposals regarding budgeting for capital assets from the President's Commission on Capital Budgeting. The Board concluded that it would be beneficial to wait for progress in the budget community before undertaking further work on Cost of Capital accounting requirements.

The Board also approved a plan for a Report Review Project. The report review would cover more than half of the CFO Act agency FY98 Accountability Reports. The objective is to inform the Board and the Accounting and Auditing Policy Committee (AAPC) regarding implementation of the new reporting model.

Stewardship Reporting

The Board expressed a desire to review carefully the implementation of Stewardship Reports and may reconsider use of the Stewardship model. At the July meeting, the majority of Board members called for staff proposals to place specific items of stewardship information in the traditional categories of basic information, required supplemental information and other accompanying information. The Board believes this will, in due time, aid in resolving audit issues as well as raising the visibility within reports of some key elements of stewardship information.

At the September meeting, the Board may consider specific proposals.

- Management's Discussion and Analysis (MD&A)

The Board approved recommended statements on MD&A at the April meeting. Statement of Federal Financial Accounting Concepts No. 3 has since been approved by the Board's principals. The accompanying statement on standards is awaiting approval.

- Social Insurance

At its July meeting, the Board approved certain modifications to the presentation of

social insurance information and directed staff to prepare a ballot draft. A final recommended standard is expected during July.

National Defense PP&E and Multi-use Heritage Assets

The Board approved the amendments to reporting on Multi-Use Heritage Assets at its July meeting. The amendments will be issued as a separate standard in order to avoid the delays associated with National Defense PP&E. The recommendation will be forwarded to the principals in mid-July.

The Board also directed staff to prepare a recommended standard for their vote that would require quantities of weapons systems and annual investment in weapons systems. The amendment would not – as originally proposed – delete the requirement for reporting of latest acquisition or total cost of weapons systems. In addition, staff was tasked with undertaking immediately to prepare an exposure draft on reporting the status of projects for the largest weapons systems acquisitions underway. The Board suggested that this would include information such as the planned costs, actual cost to date, percentage completed and units initially planned versus currently planned. The report was included in the February 1998 exposure draft as an alternative view. The staff will have the assistance of the National Defense PP&E task force in researching these issues and expects to have a proposal for Board consideration before the end of 1999. Tentatively, the Board also indicated that this type of major project reporting might be extended to all agencies rather than being a DoD specific requirement.

Governmentwide Supplementary Stewardship

The Board reviewed the second draft of a Statement of Recommended Accounting Standards for the Governmentwide Supplementary Stewardship Reporting. Treasury would be the only agency affected, since this proposed recommended standard would affect only the preparer of the Consolidated Statement. Treasury had only minor problems with the recommended standard, namely with Heritage Assets. Since, with Heritage Assets, entities have the most discretion in reporting this category,

trying to consolidate different types of assets - large "hard" assets, paper, artifacts, collections, and measurement attributes of physical units (for example, item counts versus cubic feet of storage space), presents problems in how to report.

After discussing the requirements of the Heritage asset standard for the governmentwide, or consolidated level, Board members agreed that the goal of the consolidated report for that category should be not for overly detailed accounting, but for some broad descriptions of categories of heritage assets and the overall condition of those assets, with reference to the reports of agencies with stewardship over the majority of heritage assets. Staff will make the suggested language changes to the Governmentwide Heritage Assets standard and circulate those changes for Board approval when it circulates the final proposed standard. The Board agreed that a final recommended standard could not be issued until completion of the amendments to PP&E in order to insure that those amendments are included in the governmentwide standards.

Accounting and Auditing Policy Committee (AAPC)

The AAPC considered topics and speakers that would be appropriate for future forums in the summer or fall.

Mr. Short, Chair of the Interentity Task Force, anticipates resumption of the work of the task force on interentity costs.

Task force chair Mark Connelly reported on the group's work in developing guidance to assist Federal agencies in implementing new standards for reporting and auditing supplementary information on stewardship land and heritage assets.

The AAPC also added two new issues to its agenda:

- Issue 20

Provide guidance to Federal entities on the allocation of contingent liabilities as they relate to legal claims where multiple agencies are involved. The questions specifically relate to situations where more than one Federal entity is named as a party to a legal claim that is filed against the Federal government. The

Continued on page X.

Comes, Continued from page 4.

I won't suggest that the accounting standards are complete, but they are comprehensive, and we are gradually improving our capacity to respond to implementation issues. The systems and staff issues are clearly top priorities in the coming years. It is unimaginable that we would enter the Information Age with the Federal government operating systems that were designed in the relative Dark Ages."

Currently, FASAB is recommending new standards on Internal Use Software, Management's Discussion and Analysis and are on the verge of recommending standards for Social Insurance. Also, since FASAB added four accounting standards in FY 1998, considerable time is being allocated to the maintenance of existing standards. During the spring, the Board decided to slow the pace of new work and allocate more time to reviewing the results of the new reporting model and new standards. As a result, FASAB staff are reviewing agency's FY 1998 reports and compiling information on best practices, potential issues and innovations. The Board will begin reviewing these analyses in the fall. The Board has also addressed concerns over the implementation of the Stewardship Reporting element of the new model. Staff was directed to begin an analysis of the individual elements of Stewardship Reporting and make proposals on the alternate placement of this information.

Concerning the issue of FASAB being designated as the Generally Accepted Accounting Principles (GAAP) setting body for the Federal government, Ms. Comes remarked that the idea was still under deliberation. "The American Institute of CPAs has been carefully considering whether to recognize FASAB as a standard setting body via Rule 203. The process itself has been very useful. As the individual responsible for managing our procedures and relationships with outside bodies, I have identified a number of areas where I personally can do a better job. The consequences of Rule 203 recognition are increased credibility, for the Board. Further, the AICPA action would clarify the status for auditors and preparers."

When asked if Federal agencies were experiencing difficulties in complying with the new standards issued in FY 1998, Ms. Comes stated that the changes were fairly general. As a result, the agencies have some room for interpretation, both between

themselves and among their auditors. "The 'infrastructure' to assist in resolving these disagreements is improving through the AAPC as well as through increased central agency and FASAB staff consultation." Perhaps the greatest source of conflict that she has observed is in the use of estimates. Federal agencies tend to rely on estimates for non-traditional things, such as accounts receivable and payable. One of the upcoming AAPC forums will contain a program on auditing estimates and dealing with uncertainty.

With regard to the issue of the Federal government ever getting an unqualified opinion, Ms. Comes was more inclined to focus on present successes. "I'm encouraged by the progress in FY 1998 as well as the determination of the CFO Council members. I believe we will see steady progress each year, but I also believe that this is not a case of immediate gratification. I hope that all involved – including oversight groups – will recognize that there are improvements along the way to a clean opinion, and that the real reward or goal is improved financial management.

When asked about her future goals, Ms. Comes stated that she was content to focus on the here and now. In her words, "I have a fabulous job that always presents new challenges." □

FASAB, Continued on page X.

issue was originally raised by the Department of Commerce.

- Issue # 21

Provide guidance on classification and definition issues pertaining to liabilities "covered by budgetary resources" and "not covered by budgetary resources". The issue involves anti-deficiency considerations. It has not been completely reviewed yet by OMB. The definition will have to be changed. Suggestions to OMB on Form and Content may be sufficient, or, if the issues become more complex, a Technical Release may become necessary.

For more information, please go to the FASAB website: www.financenet.gov/financenet/fed/fasab or contact Dick Tingley, (202) 512-7350. □

Sullivan, Continued from page 5.

business processes. Another effort associated with the Department's efforts each year to produce audited financial statements has also improved stewardship and accountability. The CFO office has initiated monthly meetings with their auditors and senior level VA managers. "These meetings foster a good dialog between management and the auditors on the problems and issues that the auditors are finding and helps management know where they need to focus their efforts."

Downsizing, a continuous challenge for most Federal agencies "has caused government to rethink how we can best accomplish our mission," says Mr. Sullivan. Initially, the negative aspects of downsizing overshadowed efforts to identify how we could improve work processes to deal with downsizing. However, once implemented, gained efficiencies lessened the burdens of having fewer employees. Unfortunately the timing of downsizing efforts forced the loss of staff before identified efficiencies could be implemented.

Technology has served as a catalyst to lessen the effect of downsizing. "Technology has provided government workers expanded tools to do their jobs better, faster, and with less paper- and labor- intensive processes." VA has maximized the utilization of electronic means to deal with downsizing.

Mr. Sullivan fully supports JFMIP's efforts to establish mandatory core requirements and evaluate/test vendor financial system packages. The old testing method frustrated him because only 30% of the mandatory requirements were tested and under the old testing process GSA was not allowed to share the results with the agencies. He is pleased by the fact that the current process now allows agencies to know what they are buying off the new schedule. Mr. Sullivan favors the new testing method because he stressed that the days of developing financial systems in-house is long over. "Procuring Commercial Off-the-Shelf software (COTS) is the only way to go." He noted a major VA initiative of looking at enterprise wide solutions to all of VA's business needs is underway. He expects that VA will acquire an off-the-shelf Enterprise Resource Planning (ERP) system that meets JFMIP requirements. However, even before acquisition, he was quick to point out that VA would be using contractor support to reengineer many business processes. Looking for the best value will lead to the proper and most cost effective decision.

A common concern among financial managers has been the lack of qualified, multi-skilled personnel to perform the more complex tasks demanded of the Federal government. Mr. Sullivan shares this concern but sees progress being made thanks to the accomplishments of the CFO Council's Human Resources Committee headed by Department of Labor's DCFO/Acting CFO Ken Bresnahan. "Their efforts need to continue, as they promise to increase the skills of existing financial staff, maximize use of limited training resources, and improve the skills of individuals wishing to join the Federal government." He also considers cross training for financial managers to be a valuable and necessary tool that should be utilized whenever feasible. However, the downsizing of the government has created difficulty in implementing cross training opportunities for financial managers. With fewer staff, finding time for subject matter experts to be away from their jobs becomes more difficult. He would like agencies to consider switching staff to provide key staff with cross-training opportunities. This type of sharing arrangement would lessen the impact of losing a key staff person. "Anything that broadens the understanding and expertise of the financial staff is good for the employee and the organization."

Mr. Sullivan believes that to run and maintain an effective working environment, one needs to "empower the managers below you and trust them to make the right decisions. If there is not trust, then maybe you have the wrong person or persons in the management positions." Mr. Sullivan noted "A job like mine cannot be done alone." He credits his success to having a set of professional managers and staff who possess the requisite skills, determination and cooperative spirit needed to work effectively in the fast-paced financial management government environment. Though he maximizes delegation, Mr. Sullivan still considers himself a "hands-on" manager. He likes knowing all the details.

If he could make one change that would improve the role of financial managers it would be to increase the collaboration and understanding in the budget and decision making process between financial managers and program managers. "We must provide valuable consultant services to program managers and be viewed by them as their advocates." Financial managers must also be present at the table when major strategic and tactical decisions are made and they need to

enhance their capabilities, particularly in the areas of financial data, review and analysis, so that they can improve their value to their organizations and agencies.

Like other financial managers, Mr. Sullivan pinpointed human resources, specifically recruitment and retention, as an area of major concern. He points to the statistics that indicate 39% of the government's GS-510 accountants are presently eligible to retire and that this percentage will skyrocket within the next 5 years. "Since the government is already way behind the curve on succession planning, we need to be hiring skilled staff now to provide opportunity for new hires to learn from the experts before they are gone. In order to do that, we need to have maximum flexibility to utilize all currently available tools such as recruitment and relocation bonuses, special salary authorizations, use of "highest rate" authority, and retention allowances. If we want the best talent, we need to provide salaries comparable to the private sector." Additionally, he believes that the government needs to get away from thinking strictly about FTE and grade levels and be allowed to manage to an approved budget.

Mr. Sullivan adds that other problems will face all managers, both internal and external to finance, in the next 5 to 10 years. "We can't make needed changes happen fast enough. We have more and more legislative mandates we're required to implement, with no additional resources or staff to accomplish them." With straightlined budgets and funding difficult to obtain, finance initiatives are and will continue to be much harder to 'sell' to senior executives because of the lower visibility of financial programs when compared to major programs.

Mr. Sullivan's goals for the future include making information available at the fingertips for all management levels of the organization. Additionally, he wants the VA to receive its first clean audit opinion and create an entirely paperless financial operation in the upcoming years. □

Y2K continued from page X.

States and Local Governments

A tremendous variation exists with respect to Y2K readiness among states and localities. This matters because, states administer many programs in partnership with the Federal government, including those involving payments such as food stamps (in concert with the Department of Agriculture), Social Security, and Medicaid (with Health and Human Services). In the case of Medicaid, many state systems are not yet reported to be Y2K compliant. Many locally controlled, computer-dependent operations—such as traffic signals—are date-sensitive. As GAO recently testified before Congress, a survey by the National Association of State Information Resource Executives found that 43 states have completed at least half of the implementation phase of their mission-critical systems.

Specifically, this group's June 1999 survey results (membership includes the District of Columbia, Guam, and Puerto Rico) showed that

- 5 states reported completing 25-49 percent of the implementation phase for their mission-critical systems,
- 13 states reported completing 50-74 percent, and
- 30 states reported completing 75 percent or more.

In attempting to gain a better understanding of Y2K compliance, John Koskinen, Chair of the President's Council on Year 2000 Conversion, established working groups and participates in monthly conference calls with the states. State audit organizations have seen consistent findings: concerns have been raised in areas including planning, testing, business continuity and contingency planning, embedded systems, and resource adequacy.

The Year 2000 compliance status of America's 21 largest cities (1996 estimates) are also mixed. In a briefing for the Senate Special Committee on the Year 2000 Technology Problem on July 12, GAO reported that only two of the cities—Dallas and Boston—described themselves as Y2K-ready. Ten of the cities reported planning to be ready by September 30, and the remaining nine by December 31.

In one final example, OMB reported in June that 27 states' unemployment insurance systems were Y2K compliant, 11 were planned to be completed between April and June, 10 between July and September, and 5 between October and December.

Key National Sectors

The working groups are also concerned with information dissemination in key infrastructure and economic sectors of the economy. For some sectors, such as banking and financial services, information dissemination has been excellent and can serve as a model. In others, however—such as the health sector—information is seriously lacking. For sectors such as this, the President's Council must continue to aggressively pursue and disseminate readiness information, particularly in the areas of health care and local law enforcement. To help accomplish this, on June 14, 1999, the President ordered the creation of an Information Coordination Center to assist with information sharing among key components of the public and private sectors.

In summary, marked improvements have been made. While the Y2K challenge is being faced worldwide, and we are cooperating as much as possible with other nations, most countries are not as far along as we are and can, therefore, expect a greater likelihood of some disruption.

At the same time, considerable work remains to be done at all levels—federal, state, local, and in our nation's key economic sectors—to protect against disruption of critical domestic services. Remediation of systems must be completed, end-to-end testing performed, and business continuity and contingency plans developed. Whether we as a nation are ultimately successful in confronting this challenge will depend on the degree to which, independently and together, the public and private sectors complete these actions. Maintaining strong leadership and cooperative partnerships will be key determining factors. □

Access, Continued on page X.

education community. In focus groups and in meetings with national student organizations, students have expressed their strong support of the goals of Access America for Students.

Industry partners in the Federal Family Education Loan Program (FFELP), including banks, loan servicers and loan guaranty agencies, are playing an active role as well (see box).

Making the Net Work for Students

Commercial processes will be the heart of this new system. Access America for Students will test a consolidated student account to provide a single source of information on federal financial aid for students, schools and funding sources. The account will be maintained for students throughout the student aid life cycle. Through this account, a designated Student Account Manager (SAM) will receive and process student aid transactions and post them to the student account. After a student leaves school, loan repayments will also be posted to their student account.

A commercial electronic payments transaction processor — the largest credit card processor in the world, in fact — will run SAM, which initially will handle federal Title IV student aid transactions including Pell Grants and student loans. SAM will make its debut in July in Phase I of the Access America for Students pilot program. Plans to extend SAM to other federal aid programs for the student community are in the works.

Maintaining Security, Protecting Privacy

During Phase I of the pilot program, log-on IDs and passwords will control access. During Phase II, commercial Digital Certificates, which are more private and secure than four-digit PIN numbers, will be used to authenticate access to student account information through the Internet. Digital Certificates will also be used to sign student aid documents such as the Free Application for Federal Student Aid (FAFSA) application and promissory notes for federal aid.

These Digital Certificates will be made available to students and other members of the postsecondary community at no cost through the General Services Administration's Access Certificates for Electronic Services (ACES) Program. Phase II also will test use of a commercial Public Key Infrastructure (PKI) service providing identity authentication for Internet access.

Building a Common Operating Platform

Access America for Students is also building a uniform system environment, based on common business processes and operating standards, that can be used by all student aid participants. This is another area where collaboration with industry stakeholders is critical to success.

First and foremost, Access America for Students is fostering a uniform operating environment in student financial aid processing.

To support this Common Operating Platform, the Access America for Students Partnership Forum is being formed. Membership in this forum will be open to all postsecondary public and private stakeholders. The goal is to move towards an integrated solution for the delivery of federal student aid and other electronic services to students.

Conducting the Pilot Program

Phase I of the Access America for Students Pilot will be conducted with the 10 pilot schools listed above during the 1999-2000 financial aid award year.

Rollout Strategy

As Access America for Students concepts are evaluated and validated, they will be made available for rollout. Thus, specific tools and processes will become available at different times, depending on their readiness. By 2001, the expectation is that all program components will be available to all schools.

Schools will convert to Access America for Students based on their individual readiness. Schools will differ in their ability to adopt these components based upon their size, student population, technical environment, available resources, degree of flexibility and numerous other factors. Schools themselves will make the determination as to when it is feasible for them to make the transition to the Access America for Students Program.

What's In It for Our Partners?

Access America for Students' goal is to create benefits for everyone involved.

Benefits to Students

- One source for student aid data throughout a student's life.
- Information that is organized and managed for easier access.
- Access to a range of government and institutional services via a Web site

gateway and hyperlinks that are directed to a student's needs.

- Information available on-demand through the Internet, readily accessible 24 hours a day, seven days a week.
- Privacy protected through the use of digital certificates for identity authentication.
- Thanks to digital signature technology, capability for electronic filing of business documents to the federal government.
- Added opportunities for loan counseling via the Web site, including repayment calculations and other simulation tools. By being able to see their full aid status in one place, students can better understand the extent of their loan commitments.

Benefits to Schools

- Faster processing and easier access to student aid data.
- Reduced reporting requirements to the federal government.
- Easier reconciliation of student aid originations and disbursements.
- New tools, such as electronic IDs and Digital Signature, to support distance learning programs, making it easier for schools to provide flexibility for their target audiences.

Benefits to the Federal Government

- By enabling government to provide services electronically for those who desire them, processing times and costs can be reduced.
- Through this collaborative effort, each agency can benefit through risk reduction, access to government-wide expertise, and the opportunity to minimize implementation costs.
- Agencies also benefit from improved oversight and fraud detection capabilities enabled by access to up-to-date student account information whenever it is needed.
- In the long run, agencies can provide better service to citizens by delivering information and services more efficiently and securely to a much wider audience.

Benefits to the Student Financial Aid Industry

- Provides a common streamlined process for origination and payment (disbursement).
- Reduces paperwork, administrative burden and costs through the end-to-end electronic processing made possible with electronic ID.
- Offers opportunity for partnership with public stakeholders to develop common operating and business standards.

Conclusion

Life's too short to spend it hunting for government information. Through the unique combination of digital tools provided by Access America for Students, customers and stakeholders can have easier, faster, more convenient and less costly access to government services. Before long, the old "stovepipe" method of delivering government services — going door to door to door — will be a thing of the past.

When it comes to putting the "service" back in government service delivery, Access America is poised to turn vision into reality by making the 'Net work for students. Imagine that!

For more information about Access America for Students, visit www.students.gov or contact Charlie Coleman at charliecoleman@ed.gov. □

notification letter of this service will be issued in September 1999.

Financial Management Systems Compliance Review Guide

JFMIP is playing a supporting role to the CFO Council Financial Systems Committee effort to develop the *Financial Management Systems Compliance Review Guide*. This effort is led by Schuyler Leshner, Chair, CFO Financial Systems Committee, and is part of the CFO Council 5-year plan to improve Federal financial systems. Currently, financial system are subject to reviews for compliance with multiple Federal requirements in Federal Managers' Financial Integrity Act (FMFIA), section 4; FFMIA of 1996, OMB Circulars A-123, A-127, and A-130, and OMB Bulletin 98-08 are subject to review. No standard procedures or instructions exist to conduct these reviews and current assessment methods vary. The proposed *Financial Management Systems Compliance Review Guide* is a tool to assist agencies in performing reviews to assess whether their financial management systems comply with the range of Federal requirements and will provide information to help prioritize the criticality of system improvements. The JFMIP Steering Committee agreed to jointly issue the Guide with the CFO Council. Issuance of the Guide as an exposure draft is anticipated in the next quarter.

Partnering to Improve Human Resources

The human capital factor continues high on the JFMIP agenda. We are continuing to work in partnership with the CFO Human Resources Committee (HRC). We are working on the issuance of the updated core competencies for accountants, budget analysts, and financial managers. Each of these core competencies documents were reviewed by the Review Board, chaired by John Sander, Department of State; and Doris Chew, JFMIP. Ken Bresnahan, Chair, CFO Human Resources Committee, was instrumental in assuring that these documents continue to be current. Other key players are: Accountants—Jean Morgan, Department of Energy; Budget Analysts—Thad Juszczak, Internal Revenue Service; Joel Friedl, Department of Defense; Dennis Kaplan, Department of Agriculture; and Janet Laytham, Department of Labor; and Financial Managers—Willa Green, Department of Labor..

JFMIP will also be working with the HRC on the development of a policy for continuing professional education for financial management personnel. We are also assisting with OPM's revisions to qualification and classification standards for financial management series; and developing a website under the American Learning Exchange for financial management training and education.

Closing Out FY 1999

This Joint Perspective closes out Fiscal Year 1999 and marks the first year of existence for the JFMIP Program Management Office (PMO). We hope the JFMIP is meeting the goal of providing leveraged support to the entire Federal community and value for the resources provided. Your feedback to JFMIP is always welcome. It has been a lot of hard work to get this far and there will be many challenges in the year ahead. As we close out this fiscal year, I hope that each of you has time to enjoy the summer and take the time to recharge to meet the challenges ahead. □

VA Card Transition Charges On

On November 30, 1998, the Department of Veterans Affairs (VA) employees began using Citibank charge cards for small purchases, travel and fleet transactions. From the cardholder's perspective, it was a simple transition and that's what the Department wanted. Cardholders merely replaced their I.M.P.A.C. purchase card or American Express travel card with the new Citibank Visa card and continued with business as usual. However, there was considerable behind the scene work. Planning for the transition actually began early in the year.

In February 1998, the General Services Administration (GSA) announced their SmartPay Multiple Award Contract for the Federal government purchase, travel and fleet card services. The awards, made to Citibank, First Chicago, Mellon Bank, Nations Bank (now Bank of America) and US Bank, allowed the Government to take advantage of existing commercial electronic commerce processes and to negotiate between contractors for value added products and services. Agencies were given the opportunity to select one or more of the contractors.

To ensure all VA requirements were considered for potential streamlining opportunities, the Office of Financial Management (OFM) assembled a multi-disciplined team comprised of:

- field representatives from fiscal and logistics;
- Chief Financial Officer and contracting representatives from the Veterans Health Administration, Veterans Benefits Administration and National Cemetery System;
- travel officials; and
- fleet program officials.

The team evaluated technical expertise and pricing of all qualified contractors and assessed the contractors' ability to understand VA's business needs and offer innovative solutions. The team identified Citibank as the contractor most able to provide advanced electronic commerce technologies and to integrate VA's approach to electronic business solutions. VA was the first Federal agency to select their contractor of paramount importance to the team as it allowed VA ample time to plan for the transition of over 55,000 purchase, travel and fleet cards.

Once the selection was made, a VA/Citibank team developed a detailed implementation plan to address technical and program issues, and created a communications strategy and training plan. The Internet was chosen as the preferred method of communication with field program coordinators and hands on training was conducted in over 50 sessions nationwide. Four VHA facilities in Louisville, KY; Indianapolis, IN; Long Beach, CA and Fayetteville, NC were chosen to pilot test the new purchase cards. Citibank Visa cards were issued to medical center personnel in advance of the start of the GSA contract to ensure the cards were accepted by VA vendors, and to thoroughly test the electronic payment and posting interfaces between VA and Citibank. VA was the only Federal agency to conduct pilot testing and was able to identify and resolve several key issues prior to the issuance of over 500,000 cards to other Citibank Federal customers. In other words, all Federal employees using Citibank benefited from VA's efforts.

This large-scale transition and the issuance of 55,000 cards to VA employees was not without it's complications. However, working in conjunction with Citibank, issues were quickly resolved through work arounds and proactive troubleshooting, making this program a win-win for Citibank and VA. This major accomplishment would not have been possible without the cooperation of key field representatives and all factions of the Department. The team's success is an outstanding example of people working together as ONE VA!

For more information, contact Martha Orr at . □

Special Section

Summaries & Highlights of the JFMIP 28th Annual Financial Management Conference

Implementing Financial Management Initiatives

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